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of Lehman Brothers Creditors

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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<b>In re</b>	: <b>Chapter 11</b>
	:
<b>LEHMAN BROTHERS HOLDINGS INC., et al.,</b>	: <b>Case No. 08-13555 (JMP)</b>
	:
<b>Debtors.</b>	: <b>Jointly Administered</b>
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**STATEMENT OF AD HOC GROUP OF LEHMAN BROTHERS  
CREDITORS IN SUPPORT OF DEBTORS' MOTION  
FOR AN ORDER, PURSUANT TO FED. R. BANKR. 2004,  
AUTHORIZING DISCOVERY FROM BARCLAYS CAPITAL, INC.**

TO THE HONORABLE JAMES M. PECK,  
UNITED STATES BANKRUPTCY JUDGE:

The Ad Hoc Group of Lehman Brothers Creditors, through its undersigned counsel,  
hereby files this statement in support of the motion (the "Motion") [Docket No. 3596] of Lehman  
Brothers Holdings Inc. ("LBHI") for an order pursuant to Federal Rule of Bankruptcy Procedure  
2004 authorizing discovery from Barclays Capital Inc. ("Barclays"). In support thereof, the Ad  
Hoc Group of Lehman Brothers Creditors (the "Group") respectfully states as follows:

**STATEMENT**

1. For the reasons highlighted by the Official Committee of Unsecured Creditors (the “Committee”) in its response to the Motion (the “Committee’s Response”) [Docket No. 3778], the Group supports the Motion.

2. For unsecured creditors, litigation and similar types of recoveries may well be among the most significant sources of distributions given the severe detrimental effect of the sudden filing of LBHI without any advance preparation. In fact, by the Debtors’ own calculations, LBHI’s rushed filing caused the destruction of value in excess of \$50 billion. (See 341 Meeting Tr. 76:25-79:15, Jan. 29, 2009.) Creditors suffered further potential injury by the wholesale transfer of Lehman’s<sup>1</sup> North American broker-dealer assets and liabilities to Barclays with little time to assess the fairness of the transaction. In light of the assertions contained in the Motion and the Committee’s Response, the Group is concerned that the contemplated transaction changed in such significant ways during the critical days prior to closing that the Court could not have assessed the fairness of the transaction and, further, that the transaction approved by the Court was not the transaction ultimately effectuated by Barclays. Given the importance of these recoveries to the ultimate beneficiaries of LBHI’s estate, the Group supports the Motion.

3. Particularly concerning is the inability of the Debtors or Committee to confirm that the Debtors have in fact received the benefit of their bargain. As noted by the Committee, notwithstanding the substantial passage of time, a final reconciliation of the assets transferred and the liabilities assumed has not been accomplished. (Committee’s Response ¶ 8.) Given the size and materiality of the transaction and the apparent unsuccessful efforts to resolve questions and disputes to date without Court intervention, a formal investigation is warranted. As

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<sup>1</sup> Defined terms used but not defined herein shall have the meanings ascribed to such terms in the Motion.

recognized by the Committee, “efforts should be focused on bringing about the transparency that is the hallmark of bankruptcy sale transactions.” (Committee’s Response ¶ 8.)

4. Finally, the Group further agrees with the Committee that given the Committee’s efforts to date and its role as fiduciary for all creditors, the Committee must be permitted to participate meaningfully in the Debtors’ investigation. While duplication of efforts must of course be avoided, the Group understands the Debtors’ efforts to be an extension of the Committee’s ongoing investigation commenced shortly after the Sale Transaction closed, some nine months ago. Nevertheless, the Committee’s continued participation should result in a meaningful, substantive benefit to the estates that outweighs any risk of duplication of efforts.

WHEREFORE, for the foregoing reasons, the Group supports the relief requested in the Motion.

Dated: June 22, 2009  
New York, New York

Respectfully submitted,

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